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# DIRECTORATE OF INTELLIGENCE

22 March 1984

Taiwan's Succession Politics and the  
Recent Kuomintang Plenum [redacted]

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## Summary

President Chiang Ching-kuo strengthened prospects for an orderly succession and support for his reformist policies, particularly by selecting Li Teng-hui, an ethnic Taiwanese, for the vice presidency at the ruling Kuomintang's recent plenum. Chiang also broadened representation on the party's Central Standing Committee to give Taiwan's diverse constituencies an increased stake in the system and to enhance the committee's institutional role after his death. [redacted]

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Chiang sees the gradual rejuvenation and "Taiwanization" of the Kuomintang as essential to maintaining the party's political dominance and Taiwan's stability. He probably also hopes these efforts, along with policies promoting modest political reforms, will improve Taiwan's image in the United States. We expect him to make other personnel shifts after his reinauguration in May, probably including another mainland moderate to replace the ailing Premier Sun. [redacted]

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Beijing's reaction to the plenum has been muted. We believe the Chinese continue to be

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annoyed over Taiwan's rejection of their reunification overtures and over Washington's policy toward Taipei. Over the last year, China also has become increasingly disturbed by the growing influence of Taiwanese separatists, especially in the United States. If they see Taiwan independence advocates gaining strength over time--both on the island and in the United States--the Chinese probably will increase their pressure on both the United States to reduce arms sales to Taiwan and Taipei to enter a reunification dialogue. [REDACTED]

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The ruling Kuomintang in mid-February nominated President Chiang Ching-kuo for another 6-year term at its first party plenum since 1981. The plenum--which clearly bore Chiang's stamp--also selected a new vice presidential running mate and elected a new enlarged Central Standing Committee.\* [REDACTED]

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Chiang underscored his continuing commitment to gradual ethnic, generational, and institutional change by:

- Tapping Governor Li Teng-hui, 61, and popular Taiwanese politician for his running mate and moving him up from 15th to 9th place in the committee's rank order.
- Expanding the committee's membership from 27 to 31 and appointing more young Taiwanese, thus increasing Taiwanese representation from 33 percent to almost 40 percent.
- Recognizing the increased importance of broader public political participation by appointing more leaders of government bodies that contain elected members, such as the National Assembly.
- Dropping Wang Sheng, the former security strongman who is a strong opponent of Taiwanization of the party and of liberalization of the political system. (See Annex for Central Standing Committee listings [REDACTED])

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The intended effect of these changes in our judgment is to help ensure an orderly succession. Chiang wants to leave a collegial leadership that represents the interests of moderates and conservatives, mainlanders and Taiwanese. To ensure that Taiwan's diverse constituencies continue to have a stake in the

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\* The Kuomintang's presidential team was elected by the rubberstamp National Assembly in late March.

system after his death, he has over the years included in the Central Standing Committee more leaders from business, academia, the media, and government bodies that contain popularly elected officials. Although it is still primarily a prestige body, Chiang also has been trying to strengthen the committee as a forum for resolving disputes and forging a consensus on policy matters--a role he now performs. [redacted]

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The younger mainlanders and Taiwanese Chiang has added to the committee represent the next generation of leaders. Chiang's key lieutenants, such as Kuomintang Secretary-General Chiang Yen-shih, are all in their late sixties or seventies and represent only a transitional leadership. Within the next five years or so, power will begin to pass into younger hands. [redacted]

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In the meantime, Chiang wants to minimize opposition from conservatives and to keep the moderates and Taiwanese in the party from pushing political reforms too quickly. He, therefore, retained all of the rightwing members of the Central Standing Committee--except for Wang Sheng--and especially the ailing "old guard" in the highly-prestigious top ranks. He also added a long-term opponent of "Taiwanization" to the committee and strengthened the military's influence in the party's leadership. He kept pliable Taiwanese members such as former Vice President Hsieh and selected at least another in Lien Chan, Minister of Communications. [redacted]

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#### More Personnel Changes in the Offing

After his reinauguration in May, we expect Chiang to make further changes in the government and party leadership. His first priority will almost certainly be to replace the ailing Premier Sun, who Chiang had been grooming as the leader of the collegial group he wants to leave behind. Party Secretary General Chiang Yen-shih (69), another moderate, appears to be the leading candidate to succeed Sun.

Chiang will also probably (to) promote some young promising mainlanders, including possibly Chang Hsiao-yen, [redacted] who is chief of the Foreign Ministry's North American Affairs Department, to higher posts in the government. We expect Chiang to make additional changes at the party Congress, which could be held next year, or at another party plenum, as part of his ongoing effort to bring younger mainlanders and Taiwanese into positions of greater responsibility. (The Congress elects the Central Committee, from which members are selected for the Central Standing Committee.) [redacted]

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Real power, meanwhile, continues to rest primarily with Chiang and his close associates--all mainlanders. Thus, even if Li should assume the Presidency, he would have to share power with several key mainlanders. These include Presidential Secretary-General Ma Chi-chuang (a conservative), Secretary-General of the National Security Council Shen Chang-huan (a

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conservative), and Secretary-General of the Kuomintang, Chiang Yen-shih (a moderate). [redacted]

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[redacted] these men (along with Premier Sun) temporarily assumed effective day-to-day authority over government and party affairs when Chiang was ailing last spring. [redacted]

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Indeed, in our judgment, these mainlander power brokers--or their successors--will strip away many of the powers of the presidency that were expanded under Chiang, once he is gone. They would want particularly to limit Li's ability to use presidential powers to upset the balance of power within the Kuomintang currently favoring the mainlanders. [redacted]

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### Motives for Changing the Party

Chiang Ching-kuo remains deeply concerned over the long-term health of the Kuomintang and the stability of Taiwan. For years, Chiang has worked to strengthen the party by attacking corruption, ineptitude, and apathy. We believe he wants to prepare the party to meet major challenges, such as growing foreign and domestic pressures to liberalize the political system. [redacted]

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Chiang addressed the plenum on the importance, and urgency, of continued rejuvenation of the party as it moves into an uncertain future. He exhorted the party faithful to be more responsive to the public, to improve their ethics, and to be flexible in dealing with new situations. He stressed ethics in particular and hinted at action to "root out the cause of erosion" in the party. [redacted]

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One of Chiang's key domestic concerns, we believe, is the challenge posed by the Taiwanese opposition movement, which plays on ethnic tensions, and is pressing for political reform, including the right to form new political parties. The December legislative elections demonstrated to the Kuomintang that popular support for the opposition is sizeable--it garnered around 20 percent of the total, island-wide vote--and possibly growing. The Kuomintang, moreover, saw its vote decline substantially from 65 percent to 54 percent in Kaohsiung, the major industrial center in southern Taiwan. [redacted]

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Because it has already built up expectations at home and abroad of further political reform, we believe the Kuomintang cannot resort again primarily to intimidation and coercion to keep the opposition in check. As long as the oppositionists do not push too hard or too fast for reforms, the regime will probably continue to compete openly with them for votes. [redacted]

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In fact, despite the opposition's showing, the regime has several reasons to be pleased with its own electoral performance in December. In a relatively honest election, the Kuomintang won more seats than it did in 1980, held onto a substantial majority of voters, and conducted a savvy and well organized campaign with

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popular candidates. We believe Chiang wants to build on these achievements and undercut the opposition's appeal, especially among the growing Taiwanese middle class, by increasing the number of Taiwanese in the party, by delivering better public services and promoting continued economic growth, and by holding out the prospect for a more open political system. The selection of the new Central Standing Committee enables Chiang to lay the groundwork for a stronger challenge to the oppositionists in the local and provincial elections scheduled to begin next year, and the three national-level elections in 1986. Indeed, adding the mayor of Kaohsiung to the Standing Committee suggests that the Kuomintang will make a major effort there to win back lost political ground from the opposition. [REDACTED]

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We believe Chiang also orchestrated the plenum with an eye to Washington. He wanted to demonstrate his commitment to expanding political participation for the Taiwanese and to maintaining a stable environment for US investment and trade. The importance attached by the regime to the US reaction was illustrated by the numerous Taiwan press articles quoting the approval of US officials. The changes at the plenum will probably be a cornerstone of Taiwan's increased efforts to improve its image in the United States. [REDACTED]

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#### Beijing's reaction

Beijing's media coverage of the recent plenum was limited and muted, making it difficult to assess the Chinese reaction. Indeed, we remain uncertain how well Beijing, and especially the top leadership, understands Taiwan's politics and the evolutionary changes going on within the Kuomintang. [REDACTED]

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At a minimum, the plenum, added to other factors, may increase uncertainty in Beijing over what approach to take toward Taiwan. The Chinese see:

- Taiwan in general growing more inward-looking, as symbolized by the Kuomintang's efforts to play down its "goal" of retaking the mainland.
- Taipei still rejecting Beijing's reunification appeals.
- US ties to Taiwan remaining strong.
- The influence of advocates of self-determination for Taiwan increasing in the United States, especially in the US Congress. In their coverage of the plenum, Beijing's outlets in Hong Kong placed particular stress on the growing challenge these advocates posed to stability on the island. [REDACTED]

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Highlighting this concern, however, may or may not foreshadow a refinement in tactics by Beijing in its efforts to

develop a constituency on Taiwan more receptive to China's appeal for reunification talks. At one point Chinese media cited Taiwanese opposition press criticism of the Kuomintang, suggesting the Chinese were playing to the opposition. In a late January issue of the journal Ban Yue Tan, moreover, the Chinese made a distinction between independence advocates overseas, who they saw as a threat, and those Taiwanese on the island swayed by such ideas, with whom Beijing seemed to be suggesting a modus vivendi could be reached. [ ]

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Beijing also appeared to be making a renewed pitch after the plenum to conservative mainlanders by emphasizing the threat Taiwan independence advocates posed to their interests as well as Beijing's. It is less clear whether China was trying to play on conservatives' concern over the growing influence of Taiwanese in the Kuomintang. [ ]

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### Implications for the United States

We believe that the short-term impact of the plenum on Beijing's Taiwan policy will be slight. China will continue to urge the United States to live up to its commitments, especially to reduce arms sales to Taiwan. Over the longer run, however, the Chinese approach will depend heavily on their assessment of the strength of self-determination sentiment on Taiwan--as well as among Taiwanese and their supporters in the United States--and on the US reaction to changes in China's Taiwan policy. If Chinese leaders see the separatists as gaining strength, and the United States as susceptible to pressure, we believe they would at a minimum press Washington harder to reduce arms sales to Taiwan and to curb the influence of self-determination advocates in the United States. They probably would also reissue not-so-veiled threats of military action against Taiwan to remind the island's leaders of Beijing's unswerving opposition to an independent Taiwan. [ ]

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1984 Central Standing Committee

	<u>NAME</u>	<u>DOB</u>	<u>POB</u>	<u>CONCURRENT POSITION</u>
1.	Yen Chia-kan (1)	1905	Mainland	Former President
2.	Hsieh Tung-min (2) (Shieh Tung-min)	1907	Taiwan	Vice President
3.	Sun Yun-hsuan (3) (Sun Yun-suan)	1913	Mainland	Premier
4.	Ku Cheng-kang (4)	1901	Mainland	National Policy Adviser
5.	Huang Shao-ku (5)	1901	Mainland	President of the Judicial Yuan
6.	Ni Wen-ya (6) (Nieh Wen-ya)	1904	Mainland	President of the Legislative Yuan
7.	Yuan Shou-chien (7)	1903	Mainland	National Policy Adviser
8.	Kao Kuei-yuan (10)	1907	Mainland	Military Advisor to the President
9.	Li Teng-hui (15) (Lee Teng-hui)	1923	Taiwan	Governor of Taiwan Province, Vice Presidential Nominee
10.	Ma Chi-chuang (8)	1912	Mainland	Secretary General of the Presidential Office
11.	Shen Chang-huan (19)	1913	Mainland	Secretary General of the National Security Council
12.	Li Kuo-ting (9) (Li Kwoh-ting)	1910	Mainland	Minister Without Portfolio
13.	Yu Kuo-hua (16) (Yu Kuo-hwa)	1914	Mainland	Minister Without Portfolio
14.	Sung Chang-chih (11) (Soong Chang-chih)	1916	Mainland	Minister of National Defense
15.	Hao Po-sun* (Hao Pei-tsun)	1917	Mainland	Chief of General Staff

Numbers in parantheses indicate previous CSC ranking

\* indicates new CSC member

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1984 Central Standing Committee

	<u>NAME</u>	<u>DOB</u>	<u>POB</u>	<u>CONCURRENT POSITION</u>
16.	Wang Ti-wu (13)	1913	Mainland	Chairman of the Board United Daily News
17.	Lin Yang-kang (18)	1926	Taiwan	Minister of the Interior
18.	Chiu Chuang-huan (20)	1925	Taiwan	Vice Premier
19.	Yu Chi-chung (17)	1909	Mainland	Chairman of the Board, China Times
20.	Hung Shou-nan (21)	1911	Taiwan	Vice President of the Judicial Yuan
21.	Yen Chen-hsing (25)	1912	Mainland	Chairman of the Atomic Energy Council
22.	Tsao Sheng-fen (26)	1914	Mainland	Chairman of the Board Central Daily News
23.	Chao Tzu-chi*	1915	Mainland	Legislator, Secretary-General of the KMT Central Policy Coordination Committee
24.	Ho I-wu*	1913	Mainland	Secretary General of the National Assembly
25.	Ku Chen-fu (24) (Koo Chen-fu)	1917	Taiwan	Chairman of the Board Taiwan Cement Corporation
26.	Lin Ting-sheng (27)	1919	Taiwan	Chairman of the Board Tatung Engineering Company
27.	Huang Tsun-chiu*	1923	Taiwan	Vice President of the Control Yuan
28.	Lien Chan*	1936	Taiwan	Minister of Communications

Numbers in parantheses indicate previous CSC ranking

\* indicates new CSC member

1984 Central Standing Committee

	<u>NAME</u>	<u>DOB</u>	<u>POB</u>	<u>CONCURRENT POSITION</u>
29.	Kao Yu-jen*	1934	Taiwan	Speaker of the Taiwan Provincial Assembly
30.	Chang Chien-pang* (Chang Clement)	1929	Taiwan	Speaker of the Taipei Municipal Council
31.	Hsu Shui-teh*	1930	Taiwan	Mayor of Kaohsiung City

1984 CENTRAL STANDING COMMITTEE

MAINLANDERS	19 or 61%
AVERAGE AGE	74 YEARS

TAIWANESE	12 or 39%
AVERAGE AGE	61 YEARS
OVERALL AVERAGE AGE	=69 Years

1981 CENTRAL STANDING COMMITTEE

MAINLANDERS	18 or 67%
AVERAGE Age	74 Years

TAIWANESE	9 or 33%
AVERAGE AGE	67 Years
OVERALL AVERAGE AGE	=72 Years

Numbers in parantheses indicate previous CSC ranking  
 \* indicates new CSC member



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